GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:3122
ANSWERED ON:11.12.2014
CANCELLATION OF COAL BLOCKS
Rai Shri Prem Das

Will the Minister of COAL be pleased to state:

(a) the salient features of the guidelines of the Supreme Court regarding the cancellation of coal blocks;

(b) whether the Government has estimated/plans to estimate the economic impact of coal block cancellation;

(c) if so, the details thereof;

(d) the proposed mechanism for speedy re-allocation of the coal blocks in a fair and transparent manner; and

(e) the other steps taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) Hon'ble Supreme Court of India in its judgment dated 25.08.2014 and order dated 24.09.2014 passed in W.P.(Criminal) No.120 of 2012 and other connected matters has declared all allocations of the coal blocks made through Screening Committee and through Government Dispensation route since 1993 as arbitrary &illegal and has cancelled the allocation of 204 coal blocks out of 218 coal blocks (i.e. except Tasra coal block allocated to Steel Authority of India Ltd. and Pakri Barwadih coal block allocated to National Thermal Power Corporation and 12 coal blocks allocated for Ultra Mega Power Projects). In case of 42 coal blocks (37 producing and 05 likely to come under production), cancellation shall take effect from 31.03.2015. The Hon'ble Court has also imposed an additional levy of Rs.295/- per tonne on the total coal extracted since the commencement of production from the coal mine to be deposited with the Government within the prescribed time period.

(b) & (c) As regards economic impact of coal block allocation, the total amount of additional levy payable by the allocatees of producing coal blocks for the coal produced/likely to be produced upto March, 2015 is estimated at Rs.10494.36 crores. Financial implications in respect of other coal user entities have not been estimated by the Ministry of Coal.

(d) & (e) For management and reallocation of cancelled coal blocks, Government has promulgated 'the Coal Mines (Special Provisions) Ordinance, 2014' on 21.10.2014 to ensure smooth transfer of rights, title and interest in the mines along with its land and other associated mining infrastructure to the new allottees to be selected through an auction or allotment to government company, as the case may be. The allocation of coal blocks would now be made in pursuance of the provisions of the Ordinance and Rules made thereunder in a time bound manner to ensure that there is no disruption in supply of coal. The auction of coal blocks is decided to be carried out in e-auction mode in order to keep the process transparent.